

# **Exhibit 29**

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## BUSINESS

# Black Cube: The Bumbling Spies of the ‘Private Mossad’

A secretive Israeli investigative firm employs aggressive tactics that sometimes blow up

By [Bradley Hope](#) and [Jacquie McNish](#)

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In 2017, a private investigator masquerading as an adviser to a wealthy Indian businessman blundered trying to dig up dirt on an outspoken Russia critic. An undercover operative unsuccessfully tried to prod a former Canadian judge to disparage Jews in the same year. Last year, agents were exposed engineering a smear effort against financier George Soros.

The would-be secret agents all worked for Black Cube, a private Israeli investigative firm often referred to in press reports as a “private Mossad.”

The firm has helped clients by covertly eliciting damaging information about competitors or legal opponents, among other things. But a number of its cases in recent years have been marred when flimsy cover stories were exposed by bumbling agents and risky tactics, according to a review of past cases and Black Cube internal documents, along with former employees, rivals, targets and clients.

## Cloak and Camera

Black Cube investigators adopt false identities to gather information in corporate or personal disputes.



1 Analysts research a targeted individual or company.



2 Staff members create fake business websites, promotional videos and LinkedIn pages for agents.



3 Field agents are given a phone, fake names, a script and sometimes wigs or other disguises to win over targets.



4 Targets, known as 'objects,' are sometimes lured to meetings at which conversations can be secretly recorded and later edited to distort conversations.

Source: People familiar with Black Cube

In an interview, Efraim Halevy, a member of Black Cube's advisory board, defended the firm's use of fake identities, saying businesses need these tactics because "documents are becoming less prevalent" and the only evidence is "human sources." He stressed that creating "virtual" situations to gain access and information have "to be done in a legal manner."

Despite some missteps, Black Cube "has to turn clients away because it cannot service all the demands," said Mr. Halevy, a former head of the Mossad, an Israeli government intelligence agency. He said Black Cube has worked on 300 cases since being founded in 2010 by two former Israeli military intelligence officers, Dan Zorella and Avi Yanus. He objected to the term "private Mossad," arguing that the firm specializes in business rather than political espionage.

"The majority of our successes remain below the radar," the company said in a statement, adding that the firm "has never engaged in any illegal activities and all our operations and methodologies are backed by highly respected expert legal opinion in every jurisdiction in which we operate."

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Black Cube has grown to roughly 120 employees and catapulted into the public eye through scandals involving fake identities and subterfuge. In one case, a Black Cube agent posed as a “women’s rights activist” to secretly record an actress on behalf of Hollywood producer Harvey Weinstein as part of his efforts to quash sexual-assault allegations.



Efraim Halevy, former director of Mossad, an Israeli intelligence service, is a member of Black Cube’s advisory board.

PHOTO: REMKO DE WAAL/EPA/SHUTTERSTOCK

## Red flags

Mr. Weinstein has “unequivocally denied” any nonconsensual sex.

Mr. Halevy said Black Cube’s board now reviews potential clients for red flags and rejects those that have been convicted of crimes, are involved in illegal practices or ask the Tel Aviv agency to flout the law. The firm pledged to donate profits from the Weinstein case to organizations supporting victims of sexual harassment.

Other Black Cube efforts have been lower profile. Consider the firm’s push to gather dirt in August 2017 on a prominent critic of Russia President Vladimir Putin.

Vladimir Ashurkov, executive director of Russia’s Anti-Corruption Foundation, who lives in the U.K. after gaining political asylum in 2015, said he got an enticing pitch: A wealthy Indian businessman wanted to hire the small event-planning business Mr. Ashurkov ran

with his wife to help him throw a huge party in London with dancers and musicians from Moscow. The unprompted email came from “Nile Bridge Capital.”

After dinner with one of the ostensible Nile Bridge executives in the Bvlgari Hotel, however, Mr. Ashurkov said he began to have doubts. He said the executive, “Patrik Dayan,” turned the conversation to Mr. Ashurkov’s work with Russian anticorruption campaigner Alexei Navalny. “How do you get money to him?” Mr. Dayan said in a lowered voice, according to Mr. Ashurkov, who said he deflected numerous queries before ending the dinner because “they seemed unbelievable and suspicious.”

In fact, Mr. Dayan and colleague “Vanessa Collins” were dispatched by Black Cube to dig up dirt on Mr. Navalny, one of the Russian government’s most outspoken critics, according to people familiar with the case. In an interview, Mr. Navalny said he’s “a problem for Putin.”

Black Cube targeted at least three other associates of his in the U.S. and Russia with similar ruses in what employees called “Project Vortex,” the people familiar with the case said. Black Cube’s Mr. Halevy said the case related to a client’s business dispute, and had no political purpose.

“Vanessa Collins” was Black Cube agent Stella Penn Pechanac, who had impersonated the “women’s rights activist” in the Weinstein case, and “Patrik Dayan” is agent Aharon Almog-Assoulin, according to people familiar with the case.



A man identifying himself earlier this year as consultant Michel Lambert was in fact Black Cube agent Aharon Almog-Assoulin. He has also represented himself as ‘Patrik Dayan’ in another case.

PHOTO: JOSEPH FREDERICK/ASSOCIATED PRESS

Mr. Almog-Assoulin declined to comment. After the article was published online Monday, a lawyer for Mr. Almog-Assoulin disputed that he met with Mr. Ashurkov. Black Cube declined to comment on behalf of Ms. Pechanac.

Virtually all content on the website for Nile Bridge Capital, which said it was based in Geneva, has been deleted. No records for a company of that name could be discovered.

Private investigators have long resorted to a form of deception known as “pretexting” to gather information in corporate or personal disputes. Most developed countries prohibit impersonating people to obtain private information such as phone, bank or medical records, but using assumed identities can be legal in other contexts.

Such deceptions are critical to how Black Cube operates. After its analysts research targets, case managers bring in field agents, who are given a phone, fake names, a script and sometimes wigs or other disguises to deceive targets—“objects” in the firm’s internal parlance—according to people familiar with the firm.

### **Sham companies**

Staff members create fake business websites, promotional videos and LinkedIn pages for the agents. Phone numbers listed on the fake sites and emails are usually routed to Black Cube’s Tel Aviv headquarters, where staffers answer phones pretending to be employees of the sham companies, the people said.

Black Cube typically tries to lure targets to large European cities such as London, Amsterdam, Prague and Vienna, to meet undercover agents equipped with hidden cameras or microphones, these people said.

The tactic can be successful. In 2016, insurer AmTrust Financial Services Inc. hired Black Cube to probe an ex-business partner with whom it was embroiled in a legal dispute. Under the pretext they represented Chinese investors, Black Cube investigators using fake identities secretly taped the businessman boasting that he had bribed an arbitrator overseeing the AmTrust dispute, according to a lawsuit AmTrust filed in a U.S. federal court.

The parties settled. Both sides said the settlement was confidential and the former business partner said in a text message that he didn’t “corrupt anyone.”





Black Cube agent Stella Penn Pechanac, posing as a consultant, meets with an analyst at an investment firm that had been critical of a Black Cube client.

PHOTO: GEOINVESTING

Mr. Halevy also pointed to Black Cube's recent role in a case where agents developed evidence against an allegedly corrupt Panamanian judge, and another in which they traced significant financial assets allegedly belonging to an Israeli businessman who had filed for bankruptcy.

Less successful was a 2017 effort by a Black Cube agent to prod a retired Canadian judge named Frank Newbould into making negative remarks about Jewish people. In remarks to reporters in 2016, Toronto financial firm Catalyst Capital Group Inc. had accused Mr. Newbould of "severe indications of possible bias." The accusation came after an unrelated case in which Judge Newbould dismissed the firm's legal claim against a rival and criticized testimony from a controlling shareholder who is Jewish.

Catalyst appealed the ruling and Black Cube was brought in to help. The Israeli firm dispatched an agent posing as a U.K. businessman to approach the retired judge seeking advice about an unrelated arbitration, according to a person familiar with the matter.

The agent—identified by people familiar with the matter as Erez Gabriel Michaeli—said he was representing a client who was concerned about "the Jewish way of doing things," and tried to get Mr. Newbould to agree that Jewish business people are "all the time trying to make more than they should," according to excerpts of a transcript of a secretly taped conversation published in a Canadian newspaper and a person familiar with the matter.

The retired judge didn't bite. Catalyst's appeal of the judge's decision was dismissed last year.

"That is not acceptable conduct," said Steve Kirby, a Chicago-area private investigator and past president of the profession's global association, Council of International Investigators, although he adds: "It is not unlawful to lie."

Black Cube, which declined to comment on behalf of Mr. Michaeli, said its agents "did not 'prod' Mr. Newbould to say anything negative about Jewish business people or Jewish people in general." Black Cube's Mr. Halevy said Catalyst's legal fight continues and "Black Cube's role will be understood and accepted" when it is over.

Catalyst said it had no prior knowledge of the meeting with Mr. Newbould, and that Black Cube acted "lawfully" on its behalf.

Catalyst sued Dow Jones & Co., the owner of The Wall Street Journal, and Journal reporters Rob Copeland and Jacquie McNish for defamation over an August 2017 article, and named Mr. Copeland as one of several co-defendants in a separate lawsuit alleging a short-selling conspiracy also related to the 2017 article. A Journal representative has said the news organization is "confident in the fairness and accuracy" of its reporting.

As Black Cube evolved, it hired law firms to verify the legality of edgy "operational methodologies," according to an internal presentation. In devising strategies, employees were told not to "steal" a real person's identity. They were told it was legal to misrepresent yourself unless it was for direct monetary gain, such as tricking someone into making a bad investment, according to the people familiar with the firm's work.





Black Cube agent Dan Lieberman, in trench coat.

PHOTO: WEST FACE CAPITAL COURT FILING

## Polygraphs

Employees undergo annual polygraphs to ensure discretion and loyalty, the people said. Tests include a question about whether an employee had covertly recorded conversations with Black Cube employees or revealed the identities of agents to any outsiders, they said.

To immerse themselves in espionage, some employees binge-watched the TV spy thriller “The Americans” and read “By Way of Deception,” the best-selling book about the making of a Mossad officer, according to the people familiar with the firm’s work.

Black Cube would regularly send employees to Paris or Vienna to buy prepaid credit cards for use by the field agents or to buy website domains at online auctions that couldn’t be traced for cover stories, according to people familiar with the matter.

Disenchantment grew at Black Cube following media reports in 2017 about the firm’s aggressive efforts to gather information about women alleging they had been sexually assaulted by Mr. Weinstein, according to people familiar with the firm; several employees sought to find new jobs, they said.

The firm typically applies secret code names and restricts information about each of its projects to small teams. Some Black Cube employees were shocked by the Weinstein

revelations.

Ms. Pechanac, who resigned last week from the firm, told employees during a 2018 presentation that she didn't regret her work on the Weinstein case, saying she was only tasked with finding out if there was a secret campaign by rival film studios to denigrate Mr. Weinstein, the people familiar with the matter said.

Meantime, some Black Cube agents have had missions derailed after encounters with targets and high-risk tactics backfired in the U.S., Canada and Europe.

Two Black Cube agents were jailed in Romania in 2016 after police accused them of illegally using devices and software to intimidate the country's chief of anticorruption. The men received suspended sentences after pleading guilty, according to Romanian media.



Black Cube agents Ron Weiner, center left, and David Geclowicz, partially hidden, in custody in Romania, where they were accused of trying to intimidate the country's anticorruption chief.

PHOTO: ALEXANDRE DOBRE/EPA/SHUTTERSTOCK

## Blown cover

That case was the only time Black Cube worked for a politically motivated client, said Mr. Halevy. He said the firm now expressly doesn't work for any government or in any politically directed case.

Last year, Black Cube's cover was blown on a case targeting billionaire George Soros. Employees with European aid groups funded by Mr. Soros were separately invited in early 2018 to meet with individuals in Europe and the U.S., said Csaba Csontos, a Berlin-based spokesman for the Soros-backed Open Society Foundations.

Some of the meetings in various hotels were secretly recorded, heavily edited and replayed by Hungarian media, which wrongly suggested Mr. Soros favored mass refugee settlements in Hungary, Mr. Csontos said.

The recordings were so primitively edited, said Mr. Csontos, that background hotel music skipped erratically like a broken record, adding: “It was ridiculous.”

The project was exposed as a Black Cube ruse when two operatives made the mistake of inviting an official with a Hungarian refugee-aid group, unrelated to Mr. Soros, to Vienna for a meeting. The aid worker grew suspicious when questioned about Mr. Soros and he took photos of his hosts, Mr. Csontos said.

People familiar with the matter identified the man as one of the firm’s top agents, Dan Lieberman. Black Cube declined to comment on behalf of Mr. Lieberman.

Excerpts of the edited recording were published by Hungarian media and Mr. Soros was portrayed on billboards and in some media as the mastermind of a secret plan to flood the country with illegal immigrants. After the smear campaign, anti-immigrant and right-wing populist Viktor Orban was re-elected Prime Minister.

Black Cube’s Mr. Halevy said the case was initiated by a businessman, whom he declined to identify, embroiled in a private dispute with Mr. Soros.

“In order to get people to talk you need to create a specific world which is a virtual world,” he said. “It’s like creating a play.”

—*Mark Maremont in Boston contributed to this article.*

Write to Bradley Hope at [bradley.hope@wsj.com](mailto:bradley.hope@wsj.com) and Jacquie McNish at [Jacquie.McNish@wsj.com](mailto:Jacquie.McNish@wsj.com)

### Corrections & Amplifications

This article was updated to include disclosure of legal disputes between Catalyst Capital Group Inc. and Dow Jones & Co., the owner of The Wall Street Journal. In addition, reporting related to Catalyst that didn’t mention the company by name was removed. (June 18, 2019)

Separately, a private investigator masquerading as an adviser to a wealthy Indian businessman blundered in 2017 trying to dig up dirt on an outspoken Russia critic. An

earlier version of this article incorrectly stated that the blunder took place in 2015. (June 18, 2019)

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